GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:950
ANSWERED ON:28.07.2000
TAX ON ADVERTISEMENTS
V. SAROJA

Will the Minister of FINANCE be pleased to state:

(a) whether it is proposed to impose tax on advertisements broadcast/telecast in radio and television network with a view to generate more revenue;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR)

(a): No, Sir.

(b); Does not arise.

(c): There are a few judicial pronouncements holding that advertisement is a form of speech or expression. Hence, there could be legal limitations in imposing a tax on all advertisements. However, the income arising from such advertisements is already subject to payment of income tax, and service tax is also leviable on services rendered by advertising agencies.